

Message Text

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E. O. 11652 N/ A

TAGS: ETRD

SUBJECT; COFFEE - PRESS ARTICLES ON COUNCIL MEETING

REF : YORK- SCISSORS TELECON

1. FOLLOWING IS EXTRACT OF ARTICLE DATED LONDON,
APRIL 16 APPEARING IN " JOURNAL OF COMMERCE", WHICH ATTRI-
BUTED TO J OF C STAFF:

QUOTE - AT THE MOMENT THERE IS A DEFINITE AIR OF
HOSTILITY FOLLOWING A U. S. WARNING THAT PRODUCERS WOULD BE
JEOPARDIZING A NEW PACT IF THEY SET UP AN INTERNATIONAL
MARKET CORPORATION TO BUY SURPLUS COFFEE FROM WORLD
MARKETS.

THIS SUPPORT PROGRAM IS BACKED BY THE SO CALLED BOGOTA
GROUP OF THE BIG FOUR PRODUCERS - ANGOLA, BRAZIL, COLOMBIA,
AND THE IVORY COAST.

THE MAIN PROBLEM SURROUNDING THE BREAK- UP OF THE DIVER-
SIFICATION FUND IS THAT PRODUCERS WHO HAVE SUBSCRIBED THE
CASH WANT IT RETURNED NOW. CONSUMERS HAVE RETORTED THAT
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THEY ARE STILL MAINTAINING THEIR OBLIGATIONS TO CONTROL IMPORTS AND REJECT COFFEE FROM NON MEMBER NATIONS. THEY HAVE ARGUED THAT IF THE FUND IS TO BE BROKEN- UP NOW INSTEAD OF AT THE END OF SEPTEMBER, THEN ANY DUTIES OF IMPORTERS MUST ALSO LAPSE NOW.

THIS RELATIVELY MINOR DISAGREEMENT HAS BEEN EXAGGERATED BY CONSUMERS - PARTICULARLY THE U. S. - POINTING OUT THE PROPOSED PRODUCER SUPPORT CORPORATION MAY WELL BE FINANCED BY MONEY RELEASED FROM THE DIVERSIFICATION FUND. PRODUCERS HAVE NOT DENIED THIS.

AFTER THIS ISSUE HAS BEEN SETTLED NEXT WEEK THERE WILL BE ONLY ADMINISTRATIVE TIDYING- UP BEFORE THE 10 YEAR OLD PACT IS PLACED IN ICE.

NOBODY IS YET SUGGESTING WHETHER THE NEXT AGREEMENT - ASSUMING THAT THERE IS ONE - WILL BE ON SIMILAR LINES. AS IS USUAL AT THE ICO, DELEGATES ARE IN NO HURRY TO RUSH EVENTS AS THEY ARE LONG SEASONED TO NEVER REACHING AGREEMENT UNTIL THE LAST MINUTE OF THE 24 TH HOUR. UNQUOTE.

2. OTHER NOTEWORTHY ACCOUNT OF COUNCIL RESULTS CONTAINED IN UPI DESPATCH OF APRIL 15:

QUOTE COFFEE- PRODUCING COUNTRIES SAID THEY WERE DETERMINED TO FORM THEIR OWN MARKETING ORGANIZATION TO BUY AND STOCKPILE SURPLUS COFFEE. THE MOVE FOLLOWS A DECISION TO STRIP THE 10- YEAR OLD INTERNATIONAL COFFEE AGREEMENT OF ITS POWERS TO CONTROL ONE OF THE WORLD' S MOST HEAVILY TRADED COMMODITIES.

THE U. S., SEEKING TO DRIVE DOWN PRICES, WARNED THE PRODUCER COUNTRIES THAT ANY SUCH ACTION WOULD UNDERMINE CHANCES OF NEGOTIATING A NEW COFFEE AGREEMENT WITH PRICE-SUPPORT MACHINERY.

A DELEGATE FROM A MAJOR SOUTH AMERICAN COUNTRY, HOWEVER, SAID: " WE HAVE NO ALTERNATIVE."

THE RESOLUTION TO STRIP THE INTERNATIONAL COFFEE AGREEMENT OF ITS POWERS, BACKED BY THE U. S. AND OTHER INDUSTRIALIZED NATIONS, WAS APPROVED SATURDAY NIGHT BY THE TREATY' S 62- NATION COUNCIL. IT EXTENDS THE AGREEMENT FOR TWO YEARS BEYOND ITS SEPT. 30 EXPIRATION DATE BUT WITHOUT UNCLASSIFIED

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THE MACHINERY TO CONTROL THE AMOUNT OF GREEN COFFEE RELEASED TO THE WORLD MARKET AND ESTABLISH PRICE RANGES WITHIN WHICH IT IS BOUGHT AND SOLD.

THE DECISION ENDS PRICE SUPPORTS FOR COFFEE GROWN IN REGIONS OF LATIN AMERICA, AFRICA AND ASIA AND THREATENS TO BRING ON A CONFRONTATION BETWEEN EXPORTING COUNTRIES AND CONSUMER NATIONS, AMONG WHICH THE U. S. IS A LEADER.

THE PRODUCER COUNTRIES SAID THEY WERE DETERMINED TO
SET UP THEIR OWN MARKETING ORGANIZATION, BUY SURPLUS GREEN
COFFEE FROM THE EXPORTING NATIONS AND WITHHOLD IT FROM
MARKET UNTIL IT COULD BE SOLD WITHOUT DEPRESSING PREVAILING
HIGH PRICES. PORTER

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